

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By **CHAIRMAN CHASE HIBBARD**, on January 18, 1999 at 8:00 A.M., in Room 437 Capitol.

ROLL CALL

Members Present:

Rep. Chase Hibbard, Chairman (R)
Rep. Kim Gillan, Vice Chairman (D)
Rep. Bob Story, Vice Chairman (R)
Rep. Gary Beck (D)
Rep. Rick Dale (R)
Rep. Bob Davies (R)
Rep. Ron Erickson (D)
Rep. Daniel Fuchs (R)
Rep. Mary Anne Guggenheim (D)
Rep. Marian Hanson (R)
Rep. Hal Harper (D)
Rep. Dan Harrington (D)
Rep. John L. Holden (R)
Rep. Verdell Jackson (R)
Rep. Scott J. Orr (R)
Rep. Bob Raney (D)
Rep. Bill Rehbein (R)
Rep. Sam Rose (R)
Rep. Roger Somerville (R)

Members Excused: Rep. Trudi Schmidt (D)

Members Absent: None.

Staff Present: Donna Grace, Committee Secretary
Jeff Martin, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:

HJR2, 1/8/1999

Executive Action: None.

Opening Statement by Sponsor:

Rep. Bob Story, House District 24, opened the hearing. Because of the length and complexity of HJR 2, the hearing and executive action will be combined.

{Tape : 1; Side : A; Approx. Time Counter : 3}

Motion:

Rep. Story MOVED that HJR DO PASS.

{Tape : 1; Side : A; Approx. Time Counter : 8.8}

Discussion

Clayton Schenk, Legislative Fiscal Division.

{Tape : 1; Side : A; Approx. Time Counter : 9.7}

Terry Johnson, Legislative Fiscal Division.

{Tape : 1; Side : A; Approx. Time Counter : 10.6}

Questions from Committee

{Tape : 1; Side : B; Approx. Time Counter : 4.1}

Dave Lewis, Office of Budget and Program Planning.

{Tape : 1; Side : B; Approx. Time Counter : 15.4}

Chairman Hibbard explained the process to be used in consideration of HJR 2, Revenue Estimating Resolution. He advised that each source of income would be considered individually and the Committee could accept the recommendations of the Revenue Oversight Committee (ROC), **EXHIBIT(tah13a01)** - Revenue Oversight Committee Revenue Estimate Recommendations for the fiscal period 1999, 2000, and 2001, or the recommendations of the Executive Branch (DOR) **EXHIBIT(tah13a02)** for the same time period, or suggest an amendment to either recommendation. The ROC recommendation will stand unless an amendment is made.

{Tape : 1; Side : B; Approx. Time Counter : 19.1}

Note: Terry Johnson, LSD, presented the ROC recommendations.
DOR staff provided information on the Executive recommendations.

BEER TAX - ROC recommendation adopted.

{Tape : 2; Side : A; Approx. Time Counter : 0.3}

WINE TAX - ROC recommendation adopted.

{Tape : 2; Side : A; Approx. Time Counter : 8.5}

LONG RANGE BOND EXCESS - ROC recommendation adopted.

{Tape : 2; Side : A; Approx. Time Counter : 13.4}

TOBACCO TAX - ROC recommendation adopted.

{Tape : 2; Side : A; Approx. Time Counter : 24.5}

RAILCAR TAX - ROC recommendation adopted.

{Tape : 2; Side : B; Approx. Time Counter : 3.0}

CONTRACTOR'S GROSS RECEIPTS TAX - ROC recommendation adopted.

{Tape : 2; Side : B; Approx. Time Counter : 6.5}

METALLIFEROUS MINES TAX -

{Tape : 2; Side : B; Approx. Time Counter : 10}

Motion: Rep. Erickson moved to accept the Executive assumptions
which were higher than the ROC.

{Tape : 3; Side : A; Approx. Time Counter : 7.3}

Discussion:

{Tape : 3; Side : A; Approx. Time Counter : 7.5}

Vote:

On a roll call vote, the motion failed, 12 - 8. Orr, Schmidt,
Holden, Rose, Jackson, Dale, Rehbein, Davies, Harper, Hanson,
Raney, Gillan voting no; Story, Guggenheim, Harrington,
Sommerville, Erickson, Beck, Fuchs and Hibbard voting yes.

{Tape : 3; Side : A; Approx. Time Counter : 20.1}

The Committee unanimously agreed that the price of palladium
should be adjusted. LSD staff was directed to draft the amendment
for further consideration.

DRIVERS' LICENSE FEES - ROC recommendation accepted.

{Tape : 3; Side : A; Approx. Time Counter : 20.4}

HIGHWAY PATROL FINES - ROC recommendation accepted.

{Tape : 3; Side : A; Approx. Time Counter : 26.6}

INVESTMENTS LICENSES - ROC recommendation accepted.

{Tape : 3; Side : B; Approx. Time Counter : 0.0}

ELECTRICAL ENERGY TAX - ROC recommendation accepted.

{Tape : 3; Side : B; Approx. Time Counter : 3.2}

LIQUOR PROFITS - ROC recommendation accepted.

{Tape : 3; Side : B; Approx. Time Counter : 21.4}

NURSING FACILITIES FEES - ROC recommendation accepted.

{Tape : 3; Side : B; Approx. Time Counter : 24.1}

LIQUOR EXCISE TAX - Roc recommendation accepted.

{Tape : 4; Side : A; Approx. Time Counter : 4.7}

LOTTERY PROFIT - ROC recommendation accepted.

{Tape : 4; Side : A; Approx. Time Counter : 4.7}

OIL AND GAS SEVERANCE TAX

{Tape : 4; Side : A; Approx. Time Counter : 19}

Discussion.

Motion/Vote

Rep. Erickson MOVED that further discussion be postponed until the Legislative Services Division provides additional information on the price of oil and production levels. The motion passed unanimously.

{Tape : 4; Side : B; Approx. Time Counter : 1.9}

Adjourn.

{Tape : 4; Side : B; Approx. Time Counter : 5.3}

ADJOURNMENT

Adjournment: 11:50 A.M.

REP. CHASE HIBBARD, Chairman

DONNA GRACE, Secretary

CH/DG

EXHIBIT (tah13aad)